

# **QUESTIONS AND ANSWERS**

**A Supplement to the 2000 Continuum of Care Homeless Assistance  
NOFA and Application**

**Office of Community Planning and Development  
U.S. Department of Housing and Urban Development**

**2000**

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## **Questions and Answers**

### **A Supplement to the 2000 Continuum of Care Homeless Assistance NOFA and Application**

To assist you in preparing your 2000 Continuum of Care (CoC) Homeless Assistance application, HUD developed the following questions and answers. For your convenience, they are grouped together by topic headings.

HUD Headquarters will hold satellite training conferences to answer other questions you may have. In addition, many HUD field offices will hold training sessions on the NOFA and the application. Please contact your local HUD field office to learn more about these training opportunities. A listing of the HUD Area and State Offices is provided as an appendix to the NOFA.

#### **A. Major Changes for 2000**

- **SHP ADMINISTRATIVE FUNDS SPLIT:** When Supportive Housing Program (SHP) administrative funds are awarded to State and/or local governments where nonprofit organizations will operate the projects, the State and/or local government must split these funds with the nonprofit organizations (see Section C, #1 and #2).
- **SHP OPERATING COSTS MATCH REQUIREMENT:** Under SHP, funds may be requested to pay up to 75 percent of the costs for operating supportive housing annually (see Section D, #1 and #2).
- **EXHIBIT 1 PAGE LIMITATION:** Applicants are limited to 25 pages for Exhibit 1, the CoC narrative section of the 2000 application (see Section E, #1).
- **EXHIBIT 1 FORMAT REQUIREMENTS:** There are new format requirements for addressing Exhibit 1 questions (see Section E, #2).
- **WRITTEN AGREEMENTS FOR PROJECT LEVERAGING:** In the project leveraging chart, only the value of contributions for which the applicant has written commitments in hand at the time of application submission should be listed (see Section E, #3).
- **MAINSTREAM RESOURCES:** An additional item has been added to the “Supplemental Resources” section of the application requirements to encourage use of certain mainstream resources in assisting homeless persons (see Section E, #4).
- **RENEWAL PROJECTS THRESHOLD STANDARD:** Projects submitted for renewal funding under SHP will now be considered to have met project quality threshold requirements through their previously approved grant application (see Section E, #7).
- **USE OF SHP FUNDS IN PUBLIC HOUSING FACILITIES:** Subject to specific requirements, SHP funds may be used in limited circumstances to provide supportive housing and/or services to homeless persons in public housing facilities (see Section K, #5).
- **CALCULATING RENEWAL BUDGETS:** The base amount for calculating an SHP renewal project’s funding request is no longer limited to the project’s final year dollar amounts; the 3 percent cost allowance and separate budget form have been eliminated (see Section M, #9).
- **FUNDING S+C RENEWALS FROM OTHER SOURCES:** Congress may pass legislation permitting projects selected for renewal under the Shelter Plus Care (S+C) program in the 2000 homeless assistance competition to be funded from sources other than the McKinney Act (see Section M, #16).

## **B. Eligible Persons to be Served**

### **1. Who can receive assistance from the projects proposed in an application?**

A person **must be homeless** in order to receive assistance under the SHP, S+C, and Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) programs, with only one exception. Under the Section 8 Moderate Rehabilitation SRO program, in addition to serving homeless persons, individuals may also be served who are eligible for Section 8 and currently reside in the units to be assisted.

A person is considered homeless only when he/she resides in one of the places described below:

- a. in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
- b. in an emergency shelter;
- c. in transitional or supportive housing for homeless persons who originally came from the streets or emergency shelter;
- d. in any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution;
- e. is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing; or
- f. is being discharged within a week from an institution in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and he/she lacks the resources and support networks needed to obtain housing.

The S+C program and the permanent housing component of the SHP may only serve people who are homeless and have a disability. Under the safe havens component of SHP, the homeless person must have a severe mental illness.

A disability may be a physical, mental, including developmental; or emotional impairment, including an impairment due solely to alcohol or drug abuse. Persons living with HIV/AIDs are considered disabled for the purposes of these programs.

### **2. Can a project serve persons at risk of becoming homeless?**

No. By law, only those persons who are homeless may be served by the programs under the NOFA. If your organization wants to serve persons at risk of becoming homeless or persons who are “near homelessness”, it would need to use another source. HUD administers the Emergency Shelter Grants (ESG) program which can fund homelessness prevention activities. A variety of other programs, such as Section 8, Community Development Block Grant (CDBG) and HOME serve low-income persons who may be at risk of becoming homeless due to poor housing conditions, overcrowding or other reasons. Contact your local HUD field office for more information on these and other programs.

### **3. Can a project serve a person being discharged from a State mental health institution in a state that requires housing to be provided upon the person’s release?**

If your State has a policy requiring housing as part of a discharge plan, HUD does not consider those persons homeless since they will be placed in housing arranged by the State. Contact your State department of mental health or similar State agency for information on its discharge policy. If your State does not require housing as part of discharge planning, then those persons being discharged may be served as long as they will be homeless as described in question #1 of this section.

### **4. My community has homeless people living on the streets with a serious mental illness. Many of them are unable or unwilling to participate in housing and supportive services. What type of project can my community submit to assist those persons?**

Your community may wish to submit a safe havens project. Classified as a component under the SHP, a safe haven is designed to serve hard-to-reach homeless people with mental illness who have resisted traditional services, such as mental health treatment, and instead have stayed on the streets. Safe havens are different from other types of supportive housing in that they are small in size, have no limits on residents' length of stay, and do not require the residents to participate in services. This "low demand" approach, coupled with a highly supportive environment, helps stabilize persons with mental illness, with the expectation over time that they will become more willing to engage in services.

For those residents who are ready and willing to move from a safe haven to permanent housing (or for those persons for which a direct placement from the streets, shelter or transitional housing into permanent housing is appropriate), your community may wish to apply for project funding under S+C or the permanent housing component of SHP.

**5. Can a project serve a homeless youth after he/she becomes a ward of the state?**

Project funding may not substitute for the assistance a State is required to provide a youth while in foster care. Project funding can, however, be used to supplement the State's assistance by providing a needed service that cannot be provided by the State.

**6. Can a project serve runaways?**

Youth who run away from home are considered homeless **if** they are residing in those places listed under the criteria in question #1 of this section.

**7. Can a homeless person moving into permanent housing receive services under SHP for an extended period of time?**

The person may receive supportive services for the term of the grant if he/she is living with a disability. If the person is not disabled, however, he/she may receive services for only up to six months after moving into permanent housing.

**C. SHP Administrative Costs**

**1. What is the new requirement regarding splitting SHP administrative costs?**

This requirement is applicable only to States and units of general local governments who are the applicants for SHP funding for individual projects which will be operated by nonprofit organizations. If SHP funds for administrative costs are awarded to a State or unit of general local government where the projects will be operated by nonprofit organizations, some of these funds must be passed on to the nonprofit organization(s). As stated in the NOFA, this requirement is NOT applicable to the SRO and S+C programs, nor does it apply to applicants who are non-government entities.

**2. How much of SHP administrative funds referred to in question #1 of this section must be passed on to the nonprofit organization(s) who will operate the homeless assistance project(s)?**

Administrative funds provided as part of the SHP grant should be split with the nonprofit organization(s) in proportion to the administrative burden borne by them for the SHP project(s). However, HUD will consider States or units of general local government that pass on at least 50 percent of the administrative funds as having met this congressionally-mandated requirement.

## **D. Match Requirements**

- 1. Under the SHP, what has changed regarding the operating costs match requirement? Is this a cash match?**

To allow for the full flexibility of the law (i.e., the McKinney Act) and to encourage the development of supportive housing for homeless persons, the match requirement for operating costs under SHP is being changed. Effective as of the date of publication of the SHP Interim Rule, SHP funds may be used to pay for up to 75 percent of the actual operating costs of supportive housing for all years of the grant term (this provision is **not applicable** to grants awarded prior to calendar year 2000). For example, if the annual operating costs are \$100,000, SHP funds may be used to pay up to \$75,000, or 75 percent, of these costs in each year of the grant term and the grantee would be required to pay \$25,000, or 25 percent, each year.

The operating costs match to be paid by the grantee is a cash match. Documentation of firm commitments of cash resources for the first year of the grant term and certification that cash resources will be provided in the second and third year of the grant term, if applicable, must be submitted as part of the technical submission application (the form and content requirements of the cash match documentation and certification are explained in the applicable exhibits of the SHP technical submission application). In addition, the cash match must be verified in the Annual Progress Report. Donated or in-kind contributions do not count toward meeting this match.

- 2. Is the new SHP operating costs match requirement applicable to projects submitted for renewal funding?**

Yes. Projects submitted for renewal are allowed to request up to 75 percent of the actual operating costs of supportive housing for all years of the grant term. However, renewal applicants may not request SHP funds to replace State or local government funds being used in the project.

- 3. What does the “supportive services match” for SHP in the 2000 appropriation mean? Is this a cash match?**

The SHP request can be no more than 80 percent of the total budget for the supportive services line item. The supportive services match to be paid by the grantee is a cash match. Documentation of firm commitments of cash resources for the first year of the grant term and certification that cash resources will be provided in the second and third year of the grant term, if applicable, must be submitted as part of the technical submission application (the form and content requirements of the cash match documentation and certification are explained in the applicable exhibits of the SHP technical submission application). In addition, the cash match must be verified in the Annual Progress Report. Donated or in-kind services do not count toward meeting this match.

- 4. What if we have a renewal project that is requesting supportive services funds? Do those funds need to be matched?**

Yes. A renewal project requesting supportive services funds must also meet the match requirement as described in question #3 of this section.

## **E. Application**

- 1. Is there a firm page limit for Exhibit 1, the CoC narrative?**

Yes. For several years through 1999, the application kit read that Exhibit #1 should be “preferably no more than 25 pages.” In fairness to all applicants, this has now been changed to a hard and fast 25 page

limit. Applicants must limit the number of pages in Exhibit 1 to 25 pages, including attachments. HUD will not review the pages exceeding the 25 page limit when rating Exhibit #1. In fairness to larger CoCs, and as noted in the application kit, only the first page of multiple page project priority and leveraging charts, and the first page of the response to items 2.e., 3.c., 4.e., and 6, will count toward the 25 page limit.

**2. Why are there so many new charts and formatting changes in Exhibit 1? Are the questions new also?**

The questions in Exhibit 1 are basically the same as last year. In some cases, they have been revised for purposes of clarity, however.

In an effort to enhance the consistency of the application review process, applicants are being requested to respond using specific formats in items 2.e., 3.b., 3.c., 3.e, 4.b., and 5.c. Although responses should be submitted in the format shown, applicants are not limited to photocopying the chart and filling in the blank spaces provided. That is, the format may be duplicated to increase, or decrease, the amount of space needed under each column to adequately respond to the questions. Applicants should read each question in Exhibit 1 carefully because, in some cases, a narrative response is also required.

**3. Why has HUD eliminated unwritten commitments from the project leveraging chart?**

Experience has shown that not all unwritten commitments actually materialize. In some cases, project implementation was delayed because substitute resources could not be found. Therefore, only the value of contributions to a project **for which the applicant has a written commitment at the time of application** will be counted toward points for leveraging of other resources.

Written commitments are not submitted at the time of application. However, **they are submitted for verification by HUD prior to grant agreement execution.**

The written commitment itself must be documented on letterhead stationery, signed and dated by an authorized representative, and must, at a minimum, contain the following elements: the name of the organization providing the contribution; the type of contribution (e.g., cash, child care, case management, etc.); the value of the contribution; the name of the project and its sponsor organization to which the contribution will be given; and, the date the contribution will be available.

**4. Why has the “Supplemental Resources” section of the CoC application been changed?**

Since a large proportion of homeless people do not participate in the important mainstream health and income assistance programs for which they are eligible, the Department has decided to encourage participation by creating a new scoring element beginning with the FY 2000 CoC homeless assistance competition. In order to obtain the highest score under the “Supplemental Resources” section, the CoC application must evidence strategies to expand access to McKinney and non-McKinney-funded programs by coordinating and integrating homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible. These include Medicaid, State Children’s Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program.

**5. Each Exhibit 1, CoC, must be identical for each associated application under a continuum. Would HUD accept the associated applications from a given community if just one of the associated applications contained the entire Exhibit 1, with the other associated applications simply cross-referencing that exhibit?**

Yes. HUD will accept associated applications in which Exhibit 1 has been submitted in this way. However, for the application **containing the complete Exhibit 1**, please state at the beginning of that exhibit: “This is an associated application. Exhibit 1: CoC is being submitted in its entirety only in this application. The applications of all other associated applicants for this same continuum, as listed below, will cross-reference and adopt this exhibit.” (List the names of all other associated applicants.)

For each of the associated applications **NOT containing the complete Exhibit 1**, please state: “This is an associated application. By agreement between all associated applicants, Exhibit 1: CoC has been submitted in its entirety only in the application from (state applicant’s name). We adopt that Exhibit 1 and agree to follow it if our application is selected for funding.”

**6. If my application is received at the HUD field office by the deadline, but not at HUD Headquarters in Washington, D.C., is my application considered “on time” and will it be considered for funding?**

No. The determination of an “on time” application is made at HUD Headquarters in Washington, D.C. Your application must arrive by the deadline at HUD Headquarters in order for your application to be considered for funding. HUD is constrained by the HUD Reform Act not to accept any applications that arrive after the deadline.

In addition, as stated in the NOFA, reviews will be based solely upon the contents of the application submitted to HUD Headquarters. Application materials submitted to the HUD Field Office and not to Headquarters, even if submitted prior to the deadline, will not be considered in the review of the CoC or of individual projects.

**7. The NOFA says that HUD will perform a “threshold” review of my application. What does this mean? What should I be aware of when preparing my application?**

HUD reviews your application to ensure that the applicant is eligible to apply for the program it selected and has the requisite capacity to carry it out. It also reviews the capacity of all other organizations involved with the proposed project. It is imperative, therefore, to demonstrate that applicants and any sponsors or other organizations involved have sufficient capacity. Be sure to answer all of the questions under the Experience Narrative section(s) of the program exhibit(s). It is also imperative that nonprofit applicants include documentation demonstrating their eligibility.

HUD also reviews your project exhibit to ensure that your project will only serve homeless people (see Section B, question #1, of this supplement), that what you propose is eligible, and, in the case of projects other than SHP renewals, that your project meets threshold quality standards. You can help ensure that your project passes the quality review by completely answering all of the applicable Project Narrative questions in the program exhibit. These questions relate directly to the NOFA threshold standards so it is important that you address each and every applicable factor in the Project Narrative(s) and complete the charts for the program for which you are applying.

Under SHP, renewal projects are considered to have met most of the threshold requirements through its previously approved grant application. However, threshold reviews will be done on renewal projects to determine the eligibility of proposed activities, the eligibility of the population to be served, and the capacity of the applicant and project sponsor (see Section M, question #5, of this supplement, regarding items in Exhibit 2, Section A, of the 2000 CoC application, which must be completed by applicants requesting renewal funding).

**8. If my project is a new “Supportive Services Only” project, do I still have to answer all of the narrative questions in the Project Narrative, including the questions related to housing?**



Applicants for the Supportive Services Only component of the SHP must answer all items in Exhibit 2, Section A, Project Narrative, **EXCEPT** item #3.

## **F. Continuum of Care Geography**

### **1. What options do communities have in deciding the area to be covered by a CoC?**

The primary consideration is to design a system that will most effectively meet the needs of the homeless population. Remember, the single most important factor in receiving funding under this competition is the strength of the CoC as measured against the CoC criteria in the NOFA.

Organizations within any locality may decide to: (a) create a CoC system within its own local boundaries; (b) join nearby communities in creating a multi-county or regional CoC system that fully involves all the communities included and serves the territory of the combined communities; (c) join with the State government or a Statewide organization in creating a Statewide CoC system; or (d) join with the State government or a Statewide organization in developing a CoC system for a specific community and/or county, or an entire region.

Local communities are strongly discouraged from attempting to divide up the geographic area of a locality and developing separate CoC systems with separate applications for each portion of the locality. Such an approach undercuts the concept of CoC because your strategy should be community-wide, comprehensive and inclusive.

### **2. What options do State governments and Statewide organizations have in deciding the areas to be included in a CoC?**

Statewide applicants may:

- a. include the **entire** area of the state **not covered** by local CoC strategies in a single application which describes the Statewide CoC system for that entire area;
- b. include a **part** of the area of the State **not covered** by local CoC systems in a single application which describes the CoC system for that area, which could include one or more counties not covered by local CoC systems; or,
- c. submit two or more applications, each representing a separate CoC system developed by the State or a Statewide organization and its local partners for different sub-State areas **not covered** by local CoC systems. Each sub-State area could cover a single county or multi-county area.

**The area proposed by a State government or Statewide agency should only include those counties and communities that are fully involved in the development and implementation of the CoC strategy with the State.** This involvement should be described in Exhibit 1 of the application.

### **3. How can a rural community maximize its opportunity for project funding under the NOFA?**

Because of their small demographic numbers, rural areas generally will have small pro rata need amounts. In order to maximize its funding potential, a rural area may wish to form a regional CoC system encompassing several contiguous counties. A single pro rata need figure for the combined geography will be calculated by adding the pro rata need figures together for each county. However, all geographic areas included in the regional CoC system need to be **actively** involved in the development and implementation of the CoC system and this involvement must be described in the CoC narrative.

4. **My community is involving the State in its CoC system. Should the community describe its coordination with the State in the community's Exhibit 1? What about the Statewide application, if there is one?**

Both the community and the Statewide applications should describe the coordination that has occurred in their respective applications. State support of a local CoC system can be a factor in the success of the local system. However, neither application should include the other as a jurisdiction covered by the other's strategy when describing the geographic area covered by their respective systems.

5. **What if a Statewide applicant wants to propose a project in a locality covered by a separate CoC strategy?**

When a Statewide entity wants to carry out a project within an area covered by a separate CoC strategy, that project **must** be included in the application submitted by the local community with the Statewide entity listed as project sponsor and/or applicant. Since such a project would be proposed to fill a gap in a community's strategy, it would be listed **only in the local community's CoC priority listing** (NOT the Statewide organization's) and would receive a Need score based on the priority listing in that **local community's** strategy.

## **G. Gaps Analysis**

1. **The instructions to the Gaps Analysis Chart in Exhibit 1 state that communities should use point-in-time data when filling out the chart. What does point-in-time mean? What data sources should my community use?**

"Point-in-time" or "point prevalence" is the number of people who are homeless at a given time. It is different from annual prevalence in that annual figures show the total number of people who have been homeless at some time during the year. For application purposes, the single point in time is **a given night**. Your community probably already has existing data sources that use point-in-time figures. If your community needs to update or supplement the data, it may undertake a survey.

Your local or State government planning agencies have information on how to do a survey, as well as the benefits of various survey designs. In addition, HUD, through the Interagency Council on the Homeless, published the manual, Practical Methods for Counting Homeless People, which also describes data collection methods and sources. You may order a copy of this manual by contacting the Urban Institute's publications office on 202-261-5687. The cost is \$13.50 and includes shipping and handling charges.

2. **What is meant by data source and method in item 4.b. of Exhibit 1 of the 2000 CoC application?**

In item 4.b., applicants are requested to identify the data sources and describe the methods which they used to fill in the columns for estimated need and current inventory in the gaps analysis chart. Examples of data sources include, but are not limited to, mail surveys, a specific study on homelessness (name the study), or the local Consolidated Plan. When describing the method, applicants should explain how the survey was done (i.e., street enumeration) and, if your data source is a study or the Consolidated Plan, explain how you used the data from the study and/or Plan to do your local gaps analysis. If the study or Consolidated Plan you reference was done using a survey, describe how that survey was done and its relationship to your local estimated need and current inventory in developing your gaps analysis.

## **H. Project Priorities**

- 1. Why is HUD asking communities to prioritize their projects on the Project Priority chart in Exhibit 1? Who sets the priorities in a community?**

Prioritizing projects should be a logical outcome of the development of a community's CoC strategy and driven by the community's gaps analysis. This means that all organizations in the process have a voice in determining the community's priorities for funding. Priorities should be established through a fair and rational process using objective criteria. The entity (or entities) that facilitates or leads the selection process is completely up to the community. Different entities will take the lead in different communities.

As stated in the application and the NOFA, HUD expects your community's CoC strategy to be developed by and coordinated with an as inclusive group as possible. Organizations involved in this process should include nonprofit organizations, government agencies, housing developers and service providers, private foundations, neighborhood groups, and homeless and formerly homeless persons. These and other organizations should represent and address the specific needs of each homeless sub-population: the jobless, veterans, persons with serious mental illnesses, persons suffering from substance abuse, persons living with HIV/AIDS, persons with multiple diagnoses, victims of domestic violence, runaway youth and others.

- 2. What if our community decides it is unable to prioritize individual projects? Can we just submit one large request for funding and decide later how to divide the request into projects based on an RFP (Request for Proposals) or similar process?**

No. The decision-making process for deciding the types of projects to include on the Project Priorities chart, and each project's priority for funding, must be completed **PRIOR** to submission. A community cannot undertake an RFP or similar process after submission. If a Project Priorities chart is not submitted, all projects are likely to receive the lowest points for Need. Moreover, the CoC score will also be adversely affected by the absence of priorities.

- 3. What happens if the dollars requested on the Project Priorities chart do not match the dollars requested in the project budget?**

If the project budget shows a higher dollar request than the Project Priorities chart, that amount will be reduced to match the Project Priorities chart. If the dollars requested in the project budget are lower than those shown on the Project Priorities chart, then the lower of the two amounts will be considered by HUD to be the requested amount.

- 4. Since the Housing Opportunities for Persons with AIDS (HOPWA) program is included in this year's application package for homeless assistance, does my community have to include the HOPWA projects on our priority list?**

No. The projects to include on a CoC's priority list are only the SHP, S+C, and SRO programs, and renewals. Applicants should be careful to use the forms included in the back of the application package for the appropriate program.

## **I. Pro Rata Need and Need Scores**

- 1. What is "pro rata need"?**

Pro rata need is the term used to describe the relative portion of national homeless assistance need assigned to a community or group of communities in HUD's CoC competition. The "pro rata need

amount” is the expression of relative homeless assistance need in dollar terms for use in scoring the “need” rating factor within a CoC competition.

## **2. How is the pro rata need amount determined for a community?**

There are several major steps HUD uses to reach the final pro rata need amount for each community, as described below:

Step 1 - Preliminary pro rata need: Prior to application submission, HUD calculates a “relative need index” for each CDBG-entitled city and county and each non-CDBG-entitled county in the country. HUD uses the same indices of need in computing each community’s index that is used in determining the formula amounts under the CDBG and ESG programs. Each city’s and county’s need index is then applied against the total amount of funding available nationally in each year’s CoC competition to determine the preliminary pro rata need for each geographic area.

Step 2 - Rolled-up pro rata need: Following application submission, HUD assigns each city and county identified as participating in a CoC system in all submitted applications its preliminary pro rata need amount. HUD then aggregates the preliminary pro rata need numbers for all the geographic components participating in each CoC. The preliminary pro rata need amounts that remain “unclaimed” by applicants in each competition are then “rolled-up” and proportionately added to the preliminary pro rata need amounts for all submitted CoC applicants. The resulting amounts are referred to as the “rolled-up pro rata need amount” for each CoC system.

Step 3 - Renewal-adjusted pro rata need: Each CoC system’s rolled-up pro rata need amount will then be compared to the combined SHP and S+C project renewal need identified by that CoC in its Project Priorities chart. Only SHP and S+C projects eligible for submission in the competition will be counted for this purpose. Similarly, only that portion of submitted renewal requests that are for activities that may be renewed will be counted (i.e., a proposed expansion of a renewal project is not eligible as a renewal and must be presented as a new project and be shown separately on the Project Priorities chart). Also, if a CoC tiers its renewal projects, only those tiers included in the Project Priorities chart will be counted.

When the total renewal need amount identified by a CoC system exceeds the rolled-up pro rata need amount for that CoC, a nationally uniform adjustment will be applied against the difference, and this amount will be added to the rolled-up pro rata need for that CoC system. The resulting amount is referred to as “renewal-adjusted pro rata need”.

When applying the uniform adjustment for renewal need, HUD will determine the proportion of total renewal requests in a CoC system that are SHP projects and the proportion that are S+C projects. A uniform percentage factor will then be applied against the proportion of renewal requests exceeding rolled-up pro rata need identified as SHP projects and a separate uniform percentage factor against those renewal requests identified as S+C projects. The resulting amounts will be totaled and then added to the rolled up pro rata need amount. In the 2000 CoC competition, HUD will apply a .33 percentage factor against the portion of renewal requests exceeding rolled-up pro rata need that are SHP projects and a .50 percentage factor against the portion of renewal requests exceeding rolled up pro rata need that are S+C projects. As described more fully in the NOFA, should legislation be enacted prior to grant announcement shifting the renewal of S+C renewal projects expiring in calendar year 2001 and later years to another funding source, HUD will strike S+C renewal projects when computing renewal-adjusted pro rata need amounts.

Step 4 - Permanent housing pro rata need bonus: Again this year, HUD will add a bonus amount on top of the renewal-adjusted pro rata need amount for any CoC system that identifies a new permanent housing project passing all threshold requirements as its number one priority project. In such instances, the full amount of such a project’s eligible activities, up to \$250,000, will be added to the renewal-adjusted pro

rata need amount for that CoC system. Please see Section L, question #2, for examples of the application of the permanent housing bonus.

The dollar amount determined after application of all of these steps, as applicable, is referred to as the “final pro rata need amount”.

**3. Why does my CoC’s final pro rata need amount vary so much from one year to the next?**

As can be seen from the discussion above, final pro rata need is influenced by a number of variables that include: the total amount of dollars available for the competition nationally; the number and size of the communities competing in the competition; the amount of eligible renewal need identified by your CoC system and the program mix of what is identified; and, whether or not your CoC system seeks a permanent housing bonus. Applicants are encouraged once again to apply for **all** of what they determine they need in homeless assistance resources from HUD, **not** what they believe will be their final pro rata need amount.

**4. How is “pro rata need” used?**

HUD takes each CoC community’s final pro rata need amount and applies it against the requested amount (as adjusted where necessary) of each project on the community’s Project Priority chart. Starting with project priority #1 and proceeding down the chart, skipping individual projects rejected during the threshold review, projects whose requested amounts fall fully within the applicant’s CoC pro rata need amount, as adjusted (“first tier”), or those where more than one-half the requested amount falls within this “first tier” receive the full **40 points** available for Need. Continuing down the list, those projects whose requested amounts fall fully within the “second tier” (two times the pro rata need amount, as adjusted), or those where more than one-half the requested amount falls within the “second tier” receive **20 points**. Any remaining projects on the priority list each receive **10 points**.

There are only two exceptions to the above procedures. The first exception will occur if the first non-rejected project on any CoC system’s priority list fails to meet the criteria for receiving 40 points. In such instances, in order to achieve greater geographic diversity, the total requested amount for the first non-rejected priority project will be reduced to the applicant’s CoC final pro rata need amount and assigned 40 points.

The second exception will occur if the total amount that would be awarded for “first tier” projects in any CoC following the above procedures exceeds the final pro rata need amount for that CoC by more than \$1 million. In such instances, the lowest priority “first tier” project being selected will be reduced to the level necessary to ensure that the total amount being awarded for such projects does not exceed the final pro rata need amount by more than \$1 million.

**5. How does my CoC community figure out how many projects will receive the full 40 points for Need?**

As described in the questions above, a community’s final pro rata need amount is based on a variety of factors. Since several of these factors will not be known at the time of application submission, you should apply for all the project funding that you need from HUD to address the gaps that exist in your CoC system.

**6. If five different cities/counties develop a single CoC system, will the pro rata need figures of the five jurisdictions be added together?**

Yes. A single final pro rata need figure for the combined geography of the five jurisdictions will be calculated by adding the five separate Need figures. The combined figure will then be used to determine

the number of projects on the single Project Priorities chart that will receive 40, 20 and 10 points for Need, as described above.

**7. Given the situation in the previous question, do the projects then have to be located in all five jurisdictions proportionally?**

No. The projects do not have to be located in all five jurisdictions nor do they have to be located proportionally. However, the single CoC system must be designed to address the problem of homelessness in all five jurisdictions, and it must be clear in the application the various CoC organizations in all five jurisdictions are actively working together in planning and implementing the CoC. Otherwise, the very important CoC score, which represents up to 60 points, will be adversely affected.

**J. Serving Veteran Needs**

**1. The NOFA mentions veterans groups. How should veterans organizations be involved in the CoC?**

Your community process for developing and implementing a CoC system should be comprehensive and inclusive. This means the needs of all homeless sub-populations in your community should be represented in your CoC planning process and project implementation. Because studies show that a significant segment of the homeless population are veterans, it's especially important to involve veterans organizations so that the needs of homeless veterans are addressed appropriately and effectively.

**2. The Project Narrative portion of the application asks to identify projects that primarily serve veterans and whether projects serve homeless veterans. What does it mean to check each of these categories?**

The information provided here helps HUD identify which projects are targeted toward serving veteran needs. If your project is designed to meet the needs of homeless veterans, you would check the box that indicates you **primarily** serve veterans. If your project serves many homeless sub-populations, including veterans, then you would check the box that indicates you serve homeless veterans. This information does not result in additional project points being given to a project in the competition.

**K. Projects**

**1. Our community would like to submit “tiered” SHP projects where we place the first year of funding toward the top of the Project Priorities chart, and the second and third year of funding toward the bottom. How should we submit the tiered projects in the application?**

Communities can tier their projects. To prepare Exhibit 2 for tiered projects, please submit an Exhibit 2 for each separate tier of the project. Since the description of the project is the same regardless of the number of years being requested, the Project Narrative (Section A) and Experience Narrative (Section B) can be photocopied and used for each tier. However, Sections C, F, G, J and K, may not necessarily be the same for each tier of the project. These sections should be individualized for each tier. Also, each tier should be assigned a separate project priority number on the Project Priorities chart and fill in the budget amount for only that tier on the chart.

**2. Is it possible to “tier” S+C projects and, if so, how should we submit the tiered projects in the application?**

Yes, it is possible to “tier” S+C projects in a fashion similar to SHP project tiering. However, since the term of S+C projects is fixed by statute at 5 years, a S+C project may only be tiered by splitting it up by

units. Keep in mind that under application requirements, each S+C “component” (i.e., TRA, SRA, PRA, SRO) constitutes a separate project. Also, please be advised that tiering of a S+C renewal project will result in a reduction of the number of persons being served if lower priority tiers for that project are not funded. Therefore, S+C tiering should only be used as a last resort in cases where an applicant is also seeking to place non-S+C projects within its pro rata need share.

A separate Exhibit 3 must be submitted for each tier. Since the description of the project is the same regardless of the number of units in each tier, the Project Narrative (Section “A”) and Experience Narrative (Section “B”) can be photocopied and used for each project tier. However, the rest of Exhibit 3 should be individualized for each tier. Please assign each tier a separate project priority number on the Project Priorities chart and fill in the budget amount for that tier only on the chart.

**3. If my project has several structures and we are also providing supportive services, including outreach, how would I include the supportive services on the budget sheets?**

You will be including a structure budget for each of the structures in your project. If supportive services are also included, then spread the services among the structure budgets so that the structure budgets add up to the total budget.

**4. Can a project use Section 8 project-based assistance (PBA) for transitional housing units funded under SHP?**

Yes. Projects can use Section 8 project-based assistance. However, to successfully combine these programs, the project narrative should give attention to such areas as selection for occupancy and providing appropriate housing for graduates of transitional housing. In developing these units, all regulations found at 24 CFR Part 983, would also apply, including those governing establishment of contract rents, competitive selection of units, eligible rehabilitation, the minimum rehabilitation requirement, eligible and ineligible properties, and displacement and relocation of occupants. SHP funds cannot be used for operating costs or leasing, since the PBA funds those activities.

**5. May SHP transitional housing funds be used in public housing facilities?**

Yes, subject to the following requirements:

An SHP **supportive services only project** may serve homeless persons who become residents in public housing units where (1) the public housing authority (PHA) adopts a local preference for homeless persons for the SHP units; (2) the SHP participants enter into a lease with the PHA in which residency in the supportive housing units is conditioned upon compliance with the supportive housing program, and (3) the lease provides that SHP participants must move to other public housing units at the termination of their participation in the SHP to continue as public housing tenants.

An SHP **supportive housing project receiving acquisition, rehabilitation, new construction, or operating funds** may use public housing units only after the PHA disposes of the units, through deed or lease, to the SHP grantee and obtains HUD approval of the disposition. After the disposition, these units can receive no public housing capital or operating subsidy.

**6. What is the extension policy for SHP grants?**

For SHP grants expiring in a given calendar year, grantees that will have SHP or other funds to carry them beyond that calendar year have the option of extending their grant term for up to one year subject to HUD approval. Grant terms may be extended if:

- (1) the renewal project fails to receive funding in a competition and wants to become eligible to apply again in the next competition;
- (2) the grantee of a project currently eligible for renewal fails to apply in a competition but wants to be eligible to apply in the next competition; or
- (3) there is an overabundance of renewal requests in the community in a particular year.

Grant terms may not be extended for more than one year at a time, although there is no limit on the number of extensions a grant can receive. In addition, extensions for less than a year are acceptable if an entire year is not needed to carry the term into the next calendar year. For example, if a grant term ends in November 2001, it need only be extended for 2 months to carry the grant term into January 2002.

To obtain an extension, grantees must request that their local HUD field office process a grant agreement amendment. With the request for an amendment, grantees must submit information to the field office demonstrating how they fit one of the criteria above and that they have the financial resources to carry out the project **fully** in accordance **with all of the provisions** of their grant agreement during the extension period. (See Section M, question #13, regarding funding sources which may be used to continue a project.)

Please note that if a project fails to be renewed in a competition, it would **not be eligible** to apply for renewal again in the next competition **unless** the grantee submits a request for and receives an extension of the project's term.

**7. If a grantee has money left over after the term of the grant, can the grant be extended in order to spend the remaining money?**

Projects cannot be extended merely to spend the remaining grant funds. However, if a grant is extended into the next calendar year so that it can become eligible to apply for renewal in the next competition, grant funds remaining from the current term may be used as a source of funding to continue the project during the extension period (see Section M, question #13, regarding other eligible sources of funding).

**8. In the SHP, under Section D of Exhibit 2, when would it be appropriate to check the “new” project category?**

You would check the “new” project box in the following situations:

- if you were proposing a brand new project that has not provided services or supportive housing for homeless persons;
- if you are making an addition to a project (only the addition is considered eligible for funding);
- if you are making an addition to an existing SHP-funded project (only the addition is considered eligible for funding; see Section M, question #3, regarding how to apply for renewal and expansion of the same project);
- if you are bringing your project up to code (only activities which are code-related are eligible);
- if you are replacing non-renewable Federal/private funds in an existing project; or
- if you are re-starting an SHP project which received SHP funding in the past, but the SHP funding ended when the project term expired, and the project did not continue to provide services or supportive housing for homeless persons.

## **L. Permanent Housing Requirement**

**1. What exactly is the 30 percent permanent housing requirement in this year's competition?**



Attached to HUD's FY 2000 Appropriations Act was the requirement that not less than 30 percent of the year's homeless assistance appropriation of \$1.02 billion must be used for permanent housing projects. Projects meeting the definition of permanent housing for this purpose are projects under the following programs:

- S+C (new and renewal);
- Section 8 SRO; and
- the permanent housing component of the SHP (new and renewal).

Since the FY 2000 homeless assistance appropriation is \$1.02 billion, not less than \$306 million must be awarded to permanent housing projects, even though only approximately \$850 million is available under the competition. HUD is applying the 30 percent requirement to the competition overall, not to individual applications. In other words, HUD is not requiring each community to submit 30 percent of its projects as permanent housing. However, in order to meet this statutory requirement, HUD may have to skip over higher scoring non-permanent housing projects in order to fund lower scoring permanent housing projects or, within a continuum, skip over higher priority non-permanent housing projects in order to fund lower priority permanent housing projects. In order to reduce the chances that one of your non-permanent housing projects will be skipped over for funding, every effort should be made to improve your CoC narrative and maximize your project leveraging. An application with only an average score in past competitions is particularly at risk if no improvement is made to the application in 2000.

## **2. How does the "incentive" for NEW permanent housing projects work?**

To help ensure that the 30 percent permanent housing requirement attached to HUD's FY 2000 appropriation is met and to promote permanent housing generally, a special incentive is being provided in this year's competition. If a CoC's number one priority project qualifies as an eligible, **new** permanent housing project, then the full amount of that project's eligible activities, up to \$250,000, will be added to the final pro rata need amount for the continuum. The project must be specified as the number one priority on the continuum's priority chart and it must be a "new" project, not a renewal. The project must also be found eligible by passing the project threshold review.

Example #1: A **new** S+C project is proposed as the number one priority with eligible activities totaling \$325,000. The continuum has a renewal-adjusted pro rata need amount of \$750,000. If this project passes threshold eligibility review, \$250,000 of the \$325,000 in eligible activity costs for this number one priority project will be added to the \$750,000 need resulting in a **final** pro rata need for the continuum of \$1,000,000.

Example #2: A **new** SHP permanent housing project (designated as such in the application) is proposed as the number one priority with eligible activities totaling \$150,000. The continuum has a renewal-adjusted pro rata need amount of \$750,000. If it passes threshold eligibility review, the full \$150,000 in eligible activity costs for this number one priority project will be added to the \$750,000 resulting in a **final** pro rata need for the continuum of \$900,000.

## **3. Since the legislation calls for 30 percent of the appropriation for the homeless assistance funds to be used for permanent housing, should our community rank the permanent housing projects at the top of the Project Priorities chart to ensure they are funded?**

There is no mandate to adjust your priority list. Be aware, however, that non-permanent housing projects on your priority list may not receive funding if a lower ranked permanent housing project must be funded in order to comply with the statutory requirement. The ranking of projects is best left to each community submitting a CoC. Communities would rank the permanent housing projects toward the top of the Project Priorities chart if these types of projects matched the needs and gaps within a community.

## **M. Renewal Funding**

### **1. What is a renewal grant?**

A renewal grant is a grant which continues assistance to a project that received funding in the past. For the 2000 competition, a grantee may request renewal funding if it was previously funded under one of the following programs and its grant will expire in calendar year 2001. The following are eligible:

- a. Supportive Housing Demonstration Program (SHDP) projects expiring in 2001;
- b. Supplemental Assistance for Facilities to Assist Homeless (SAFAH) Program projects expiring in 2001;
- c. SHP projects, including those renewed before, that are expiring in 2001; or
- d. S+C projects expiring in 2001 that will have insufficient funds to continue operating throughout 2001.

### **2. A current SHP grantee decides to add new activities to its existing SHP-funded project (i.e., expand the project) and submits an application requesting funding for these new activities. Would this be considered a renewal grant?**

No. An existing project which is proposing an expansion of that project is **NOT** considered a renewal. An expansion of an existing project is considered a **NEW** effort and would be submitted as a new project (see Section K of this supplement, question #8).

### **3. How do I apply for funding to both renew and expand my project?**

If a project is eligible for renewal and the grantee wants to apply for funds to both renew the existing project and to add new activities to the same project, a separate Exhibit 2, Project Narrative, must be submitted for each. That is, an Exhibit 2 should be submitted requesting the renewal of the existing project and **another** Exhibit 2 should be submitted requesting funding for **only** the additional new activities. In addition, both projects should be listed as **separate** priorities on the Project Priorities chart in Exhibit 1.

### **4. If a CoC decides not to request renewal funds for existing projects, or to give these projects a relatively low priority ranking, would the CoC score be negatively affected?**

The need for the continuation of previously funded projects should be considered in the local needs analysis process and a decision should be made locally on the priority to assign to the continuation of a project. HUD is not, therefore, requiring that existing projects be renewed or given a higher priority than other projects. However, HUD is very concerned that the ongoing housing needs of persons currently being served by existing projects be taken into consideration as part of the decision-making process and addressed. The Exhibit 1 narrative should describe how these needs were fully considered and satisfactorily addressed either through inclusion in the community's high priority funding requests or through some other means. To the extent that an application does not provide such a description, the applicant's CoC score may be negatively affected.

### **5. Are there specific sections in the application that only renewal projects should answer?**

In order to apply for an SHP renewal grant, complete sections A (items 1 and 2 only), and B-K (except E) of Exhibit 2 - SHP. If awarded funds, applicants will complete a Technical Submission prior to signing a grant agreement.

In order to apply for a S+C renewal grant, complete sections A-E, skip section F, and complete sections G and H of Exhibit 3 - S+C. The chart in Section G asks you to identify the S+C component (SRA, TRA, or PRA) for your project.

In completing your application, be sure to respond to all relevant sections. Renewal projects, just like all other projects, **must meet all project eligibility and capacity standards** as identified in the NOFA or they must be rejected.

**6. Who can apply for a renewal?**

Only the current grantee can be an applicant for a renewal. In order to identify the current grantee as the applicant in this year's competition, a Standard Form 424 must be included as part of the application. If in doubt, please check with your local HUD field office. Please note that project sponsors and other entities that are not the grantee cannot apply for renewal. The law allows only the grantee to apply.

**7. How do I determine if my project is eligible for SHP renewal?**

To be eligible for an SHP renewal, your current HUD grant must expire during calendar year 2001. A grant is expiring in calendar year 2001 if its term ends during that year.

How is the term calculated? Many grants begin with acquisition, rehabilitation, or new construction which must be completed before term activities can begin. Term activities are those which are funded for a period of time specified in the NOFA, grant agreement, or HUD renewal guidance under which the grant was funded – such as three years or five years. Term activities are leasing, operating, and supportive services. NOTE: The term of a grant does not begin until the grantee begins to accept participants.

The term ends when the specified time period for the grant elapses. For example, a 1996 SHP grant was awarded with a three-year term. The term ends three years from the time the grantee first serves participants and draws SHP funds for leasing, operating or supportive services, not three years from the first draw of SHP funds for any other approved activity.

However, **if a grant term has been extended** as described in Section K, question #6, of this supplement, the term ends when the period of extension expires as indicated in the grant agreement amendment. If the grant whose term was extended is subsequently renewed, the renewal grant term begins when the extension period expires.

Contact your local HUD field office to confirm whether your project is eligible for renewal in this competition.

**8. How do I determine if my project is eligible for a S+C renewal?**

Any S+C project whose grant term is expiring in calendar year 2001 and which is projected to run out of rental assistance funds in 2001 is eligible for renewal. (In addition, S+C grants that received an extension previously but which are projected to run out of funds in 2001 are also eligible.) The effective date of the grant is the date used to determine whether the grant (including all of its TRA, PRA and SRA component projects) is expiring.

It is entirely possible that within a single grant, one component project may have sufficient funds remaining to continue providing rental assistance beyond 2001 while another component project must be submitted for renewal. Therefore, the status of every S+C component project within an expiring grant should be analyzed separately to determine whether it can be extended or should be submitted for renewal.

This project by project analysis will also assist applicants to reduce the potentially large renewal burden in any one year.

HUD has developed procedures for extending the grant term for S+C projects expiring in calendar year 2001 with sufficient funds to carry the project into calendar year 2002. This extension process is independent from the CoC competition. In such a case, contact your HUD field office for information on seeking an extension of your project.

**9. How much money can I apply for?**

For S+C, the renewal amount may not exceed the number of S+C units under lease at the time of application for renewal funding times the current Fair Market Rent (FMR as published in the Federal Register on October 1, 1999) times 60 months. You must request five years of funding according to the statute.

For SHP, the amount an applicant may request for activities eligible for renewal in an existing project (i.e., leasing, operations, supportive services) is no longer based on the grantee's final year dollar amounts for these activities. Applicants may apply for any amount which is necessary to continue the eligible leasing activities which were previously funded under the SHP, SHDP, and/or SAFAH program. However, for eligible operations and supportive services costs which were previously funded under the SHP, SHDP, and/or SAFAH program, the amount requested for operations may not exceed 75 percent of the total operations budget and the amount requested for supportive services may not exceed 80 percent of the total supportive services budget (see Section D of this supplement regarding match requirements for these activities).

Since SHP renewal projects are no longer restricted to using the final year dollar amounts as a basis for calculating funds to request for renewal, the 3 percent cost increase has been eliminated and all SHP applicants must use the same summary budget form (see Exhibit 2, Section J, of the 2000 CoC application).

**10. How long must the renewal term be under the S+C program?**

For S+C renewals, the grant term is fixed at five years as required by statute, and applicants must request the full five-year funding.

**11. Can projects submitted for renewal be tiered as described in Section K, questions #1 and #2?**

Yes. For SHP renewals, applicants proposing renewal projects may wish to consider "tiering" the request by establishing each year of the maximum three-year term as a separate project priority. Under this approach, the first year could be given a very high priority placement at a requested funding level (see question #12 of this section). The second and third year renewal term could then be given lower project priority placements.

For S+C renewals, the project may only be tiered by splitting it up by units (see Section K, question #2).

**12. If I tier my SHP renewal, can the annual amounts requested differ from tier to tier?**

No. If SHP renewals are tiered, annual amounts within any tier must be the same. However, this does not preclude up to 2 years of funding being included in a tier.

**13. If my application for renewal of an SHP or S+C project is not funded in a competition, what sources of funds can I use to continue my project?**

To continue an SHP or a S+C project which was unsuccessful in seeking renewal in a prior competition, you may use any type of funds – Federal, State, local, or private funds – and still compete in the next competition. While normally the use of State or local government funds in a project would prevent future Federal funding, HUD does allow the use of State or local government funds as interim or emergency funding when they are used to continue an SHP or a S+C project which was unsuccessful in seeking a renewal.

**14. How does a State apply to renew an SHP or S+C grant which is carried out in a location having a local Continuum of Care?**

The State's renewal project would need to be part of the local CoC and entered on the local community's priority list.

If the State grant is being carried out in various locations, a State may need to divide the renewal request among several CoC priority lists. For example, a State may have an expiring grant which is being carried out in three places—two cities with their own CoC strategies and one area which is part of the State's CoC strategy. In that case, the first two projects would appear on those communities' priority list with the State as the applicant.

**15. Are there any instances in which the scope of an SHP project may be reduced when it is renewed?**

Yes. You may proportionately reduce or eliminate elements of the project and the SHP request. However, be aware that this project, as well as all projects, must meet all project threshold requirements as identified in the NOFA.

If the scope of a project is reduced, clearly indicate and fully describe in Section A, Project Narrative, in the application the following: Why it is necessary to reduce the scope of the project; which elements (housing units, services, etc.) of the project will remain and which will be reduced or eliminated; the number of persons served compared to the number in the original grant; and how the proportionate reduction in SHP funds was calculated.

**16. I have a large S+C grant that is expiring in calendar year 2001 which I am submitting for renewal in this year's competition. What would the effect be on my CoC if Congress should pass and the President sign the proposed legislation this year permitting eligible S+C renewals selected for funding in the 2000 homeless assistance competition to be funded from sources other than the McKinney Act?**

If Congress and the President take these actions prior to grant announcement, and HUD is able to exercise this authority in the current competition, the consequences on your CoC could be significant. If found eligible in this year's competition and selected for funding, your S+C renewal would receive one year of funding from the Section 8 Housing Certificate fund and, each year thereafter, your grant would be submitted to HUD for renewal out of the Section 8 budget and would not be subject to the yearly homeless assistance competition. The renewals would be operated under the S+C regulations regardless of the funding source.

However, having your S+C renewal funded "off-budget" this year would have the following effects in the 2000 competition: (1) the grant would be removed from your priority list and there would be no "renewal adjustment" increase to your CoC's pro rata need from this project; (2) on the other hand, the five-year S+C renewal request would not consume any of the CoC's pro rata need. Each community must evaluate how this mix of factors plays out for them.

In any event, please keep the following in mind: (1) S+C projects expiring in 2002 or later are **not eligible** for renewal in this year's competition except for grants that were to have expired prior to 2001

but which received term extensions; (2) any unexpended funds remaining in the original S+C grant at the time the renewal grant becomes effective, regardless of the funding source for the renewal, will be recaptured by HUD.

## **N. EZ/EC Scoring**

- 1. My community is a designated Enterprise Community. Last year in the competition, we did not receive the 2 points available for EZ/EC communities. Are the 2 points assigned automatically?**

No. As explained in the NOFA, in order to be considered for any of the EZ/EC bonus points, the application must first pass a threshold review. The two threshold factors are: (1) at least one of the proposed project(s) is located within the boundaries and/or will principally serve residents of the Federal EZ or EC; and (2) priority placement will be given by these project(s) to homeless persons from the EZ or EC.

Since EZ/EC bonus points are awarded to all projects in a CoC and not just to the individual projects passing the threshold review, the standard for obtaining the full two point bonus is set very high. In order to obtain both bonus points, a significant percentage of the total projects proposed for funding in the CoC must pass the threshold review, and the CoC's implementation strategy and proposed projects must be strongly linked to and coordinated with the EZ or EC. CoCs that have at least one project passing the threshold review will receive 0, 1, or 2 bonus points depending upon how well they meet these two criteria.

## **O. Common Mistakes**

- 1. What experiences can you share from past competitions to help me avoid making common mistakes?**

Here is a list of common errors. Please carefully read the application and the NOFA for further clarification, or contact your HUD field office. Common mistakes include:

- inserting the wrong SF-424 for the applicant, especially if your project is a renewal;
- the project budget request in the exhibit exceeds the Project Priorities chart amount;
- the project budget request for supportive services exceeds 80 percent of the total budget for this activity;
- not explaining how relative priorities are determined, or the method for collecting the data in the Gaps Analysis chart;
- not describing the new portion of an existing homeless assistance project where funds are being requested for an expansion of the project;
- incorrect renewal grant numbers;
- not responding to **all** applicable questions in the project narrative;
- not requesting an extension of the current grant term to ensure the project ends in 2001.